

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/S. K.P.R. Chemicals Ltd, Balabhadrapuram Village, Biccavolu Mandal, East Godavari District for their project – Orders- Issued.

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**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No.66**

**Dated:08-07-2011**

**Read the following:-**

1. From the Managing Director, M/S. K.P.R. Chemicals Ltd at Balabhadrapuram Village, Biccavolu Mandal East Godavari District, Letter No. Nil, dated. 01.02.2011.
2. Memo No.1290/IP/A1/2011 dated 07.02.2011
3. State Investment Promotion Committee Meeting held on 10.02.2011
4. State Investment Promotion Board Meeting held on 23.02.2011.

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**O R D E R:-**

In the reference 1<sup>st</sup> read above, the Managing Director of M/s. K.P.R. Chemicals Ltd at Balabhadrapuram Village, Biccavolu Mandal East Godavari District informed that K.PR. Group started a small Rice Mill in the year 1975 and the group ventured into pesticides manufacturing in the year 2001 and into Fertilizers industry by setting up KPR Fertilizers Ltd in the year 2007. It was further informed that they have presence in the agro based industry for the last 3 decades and currently the Group is into manufacturing of Health-Nutrition-feed, Pharma, Chemicals, Seeds, Wind Mill, Rice Mill, Solvent Extraction, Poultry, and Hatchery etc.

2. M/S. K.P.R. Chemicals Ltd at Balabhadrapuram Village, Biccavolu Mandal East Godavari District proposed to set up Inorganic Chemical Plant with an investment of Rs 602.00 Crores and Captive Power Plant Rs 1083.58 Crores with a total investment of Rs.1685.58 Crores. The unit is likely to create direct employment to 1500 people and indirect employment to 3500 people and requested for the following incentives under Mega Project concept of Industrial Investment Promotional Policy 2010-15 policy.

- a. Exempt the industry from paying the land conversion charges from agriculture to industrial use
- b. Reimbursement of 75% of Land cost
- c. To plough back 75% of VAT paid in each year to an extent of 100% of the capital cost with out any time limit like other States – West Bengal (70-80% for 8-12 years), Jharkhand (50-70% for 5-9 years) .
- d. To exempt the unit from Electricity duty and wheeling charges for power generation.
- e. To allocate required water for the plant from Godavari river and to exempt water charges for the first 5 years.
- f. To provide 75% subsidy for specific cleaner measures
- g. To provide infrastructure facilities like roads, water lines, power lines etc
- h. To provide water pipeline from Godavari River which is at a distance of 40 KM from unit and cost of laying water pipeline is to the tune of Rs 20.00 Crs
- i. To provide Gas pipeline from main GAIL pipeline to unit which is 15 KM from unit and cost of laying pipeline is to the tune of Rs 5.00 Crs
- j. To lay power lines from grid to main sub-station of power plant and also from power plant to chemical unit with an expenditure of Rs 10.00 crores.

3. State Investment Promotion Committee (SIPC) have discussed the above proposal and decided to place the matter before the State Investment Promotion Board (SIPB) with the certain recommendations.

4. State Investment Promotion Board in its meeting held on 23.02.2011 discussed the proposal in detail and decided to extend the following incentives to the Company under Industrial Investment Promotional Policy 2010-15:-

- a. 50% VAT & CST / SGST reimbursement for a period of 5 years from date of commencement of commercial production. Infrastructure assistance of Rs.5.00 Crores for facilities like roads, power, water etc.
- b. All other incentives as per the Policy.

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5. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/S. K.P.R. Chemicals Limited at Balabhadrapuram Village, Biccavolu Mandal East Godavari District for their proposed Inorganic Chemicals project under Industrial Investment Promotion Policy 2010-2015:-.

- (a) To extend 50% VAT & CST / SGST reimbursement for a period of 5 years from date of commencement of commercial production
- (b) To extend Infrastructure assistance of Rs.5.00 Crores under IIDF for facilities like roads, power, water etc upto the doorstep of the industry. The company shall give preference to locals in providing employment; and
- (c) To extend other incentives as per the Policy, which include:
  - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use;
  - (ii) 100% reimbursement of Stamp duty on mortgages and hypothecations.
  - (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately;
  - (iv) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person. and
  - (v) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

6. The Commissioner of Industries, A.P., Hyderabad shall take necessary action, accordingly and instruct the General Manager District Industries Centre, East Godavari Dist. to intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**T.S. APPA RAO,**  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, A.P., Hyderabad.  
M/s. K.P.R. Chemicals Ltd at Balabhadrapuram(V), Biccavolu (M) East Godavari District,  
through the Commissioner of Industries, AP, Hyderabad.  
The District Collector, East Godavari District

Copy to:

The Revenue (CT/ Registration) Dept./The Energy Department.  
The Ind. & Com. (INF) Dept./ Irrigation & CAD (PW. Reforms) Dept.  
The Finance (I&C) Dept./ The Law Dept./ Ind. & Com. (Mines) Dept.  
The Accountant General, A.P., Hyderabad /The Commr. of Commercial Taxes, Hyderabad  
The Chairman & Managing Director, APTRANSCO., Hyderabad  
The General Manager, District Industries Centre, Kakinada, East Godavari District  
P.S. to Secretary to Chief Minister  
P.S. to Minister(Major Industries) /P.S. to Chief Secretary to Government  
P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.  
SC/SF

// Forwarded:: By:: Order //

SECTION OFFICER